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MEMORANDUM FOR THE RECORD

SUBJECT: OCS Budget Hearing

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1. The following persons attended the OCS Budget Hearing:

and Mr. Charles Briggs.

2. The first question was the use to which the [redacted] people in FY 1968 would be put in OCS. Although the OSP requirement is not quite the same as it was last year [redacted] computer support), the general picture remains the same or possibly a bit worse. Mr. Briggs referred to the Univ. of California study which said that there will be a 70 times increase in computation requirements in the next five years accompanied by a 5 times increase in computation costs. Personnel and software expenses will rise and hardware prices will decline.

25X1A

3. A combination of new applications and new requirements has caused a rise from [redacted] jobs per day in OCS. As more Offices can do their own programming, they will require more computer jobs to be done by OCS. In short, there is plenty of validity for the [redacted] and there will be more in the future.

25X1A

4. At this point Mr. Briggs listed the [redacted] and the reasons why they are needed. Since they are fully documented elsewhere, they need not be listed here. It is interesting to note, however, that only [redacted] are clerical positions.

5. We then went on to a position-by-position justification for the [redacted] people required as the result of the Special Committee on security problems applicable to Automated Data Processing. These positions are listed in DDS&T-2468-67, dated 14 July 1967. It was clear from the discussion and I think generally accepted by OPPB that the requirements are valid. The comment was made, however, that this valid requirement will be difficult to fulfill, and even with the support of OPPB, OCS may not get [redacted]. This stems from the Director's desire to hold the line at the total Agency personnel level recommended in the program memo.

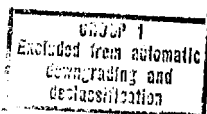
25X1A

6. The next subject was the distribution of the [redacted] people requested for FY 1969. Again Mr. Briggs discussed each position and the reason why it was needed. This discussion was oriented more toward advance information for FY 69 budget estimates than for any immediate action.

25X1A

7. [redacted] asked if the [redacted] cut would have any impact on OCS. Mr. Briggs answered "yes" but OCR has really implemented [redacted] by their recent reorganization. They simply are not yet using ADP techniques to back up and support [redacted] OCS

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19 July 1967

Page 2

SUBJECT: OCS Budget Hearing

will use its people to complete [REDACTED] which is the retrieval package for [REDACTED]. They will also back up the former [REDACTED] Group in its new tasks. [REDACTED] will demonstrate the power to do all that OCR wanted to do in the past, but it will still need people to input data.

8. Regarding the [REDACTED] equipment purchase funding in FY 1968 and the relatively small [REDACTED] rental saving in FY 69, [REDACTED] showed a listing which compared our proposed purchase funding with equivalent rental costs. He also showed a complete equipment listing for FY 1969 which had two additional model 360/20's, one of which is needed for DDP work (mainly Clandestine Service Financial Records) and a new scientific computer. They will also have to upgrade the model 360/40 to a 360/65. This new equipment is needed in FY 69 because of the OCS load increase, actual and predicted, and OCS inability to handle a growing load of such magnitude.

9. The question arose as to why we were planning to rent new equipment instead of buying as BOB has directed. [REDACTED] has recommended that we do not purchase in FY 1969 because rental would allow us more flexibility. It makes good sense to rent, at least temporarily, to keep up with the increase in capability. For example, by renting the latest possible equipment, the same cost will give us $2\frac{1}{2}$ times the capacity over the rental period. OCS recommends that we opt for rental of new equipment and let BOB direct purchase in lieu of rental if they desire.

10. The external contracts support is rising in spite of the decision to replace this support with in-house capability. Mr. Briggs emphasized that FY 69 is the peak year for this external support which will then taper off. [REDACTED] asked if the additional money in personnel services in FY 68 and FY 69 could possibly be more than needed. [REDACTED] has a list of personnel service requirements in some detail to explain this position.

Chief
Plans and Programs Branch

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